

# ARIZONA STATE LEGISLATURE

## STATE AGENCY FEE COMMISSION

**Minutes of the Meeting**  
**September 26, 2012**  
**9:00 a.m., House Hearing Room 1**

### **Members Present:**

Representative Amanda Reeve, Chairman	Richard Bark
Representative Katie Hobbs	Sandra Fabritz Whitney
Senator Jack Jackson Jr.	Kevin Biesty (representing John Halikowski)
Bill Greeney (representing John Arnold)	Spencer Kamps

### **Members Absent:**

Senator Frank Antenori	Bas Aja
Senator Lori Klein	
Representative Terri Proud	

Chairman Reeve called the meeting to order at 9:10 a.m. and attendance was noted.

## **PRESENTATIONS**

### **Analyst Methodology for Reviewing Agencies**

**Leah Koestner, Budget Analyst, Governor's Office of Strategic Planning and Budgeting (OSPB)**, distributed "Fee Commission: Methodology for Reviewing Agencies" (Attachment A) and explained the purpose of the Fee Commission and the research conducted to ascertain sustainability and budgetary impacts on agencies.

### **Department of Financial Institutions (DFI)**

**Richard Greene, Operations Analyst, OSPB**, distributed "Department of Financial Institutions; Explanation and Analysis of Fees" (Attachment B) and "Department of Financial Institutions Inventory of Fees" (Attachment C). Mr. Greene discussed the analysis of the DFI.

In response to questions by the Committee, Mr. Greene explained that civil penalty monies are awards by the Attorney General resulting from civil legal cases. The DFI retain these monies and uses them for gaps in funding. Mr. Greene stated that civil penalty monies are not a reliable source of funding.

Mr. Greene gave an overview of the breakdown of funding sources, expenditures and if the department is self sufficient. He stated that the DFI does not receive federal funding.

Mr. Greene explained that DFI lost its accreditation due to an inability to meet acceptable exam frequency guidelines. He discussed revenues that are brought into the state General Fund by DFI versus its annual appropriation, which continually gets smaller. This has resulted in a decrease in the number of examiners, 32 to 22 since FY 2009.



## **State Land Department**

**Jill Hall, Budget Analyst, OSPB**, distributed "Fee Commission; State Land Department" (Attachment D) and "Arizona State Land Department Inventory of Fees" (Attachment E), and provided an overview of the materials.

For disclosure purposes, Richard Bark stated that his employer pays fees to the State Land Department.

In response to questions by the Committee, Ms. Hall explained that the application process has many variables which affect the length of the process. She stated that the application fee is a flat rate not based on time and the State Land Department receives no federal funding.

**Maria Baier, Commissioner, Arizona State Land Department**, discussed the fee reforms completed in 2009, current application fees and the issue that the department is not always fully compensated for all its activities, referring to instances when the State Land Department is formally asked to comment on environmental impacts. Ms. Baier explained that current litigation bars the State Land Department to self-fund its operations from a portion of land sales, and that it currently operates under an appropriation from the Risk Management Revolving Fund. She stated that the department only receives five percent of the off highway vehicle license fee which is not adequate for the maintenance of the land. Ms. Baier discussed the interactions of the department with Native American tribes bordering state lands.

Mr. Kamps affirmed the State Land Department's benefit to the public and the need to fund it appropriately.

Mr. Bark requested information on state General Fund appropriations to state agencies and the impact reductions have had on agency functions and operations.

Representative Reeve asked Ms. Baier to work on recommendations that would improve State Land Department functions and to submit them to the Committee.

Representative Reeve informed the Committee the next meeting date was to be determined.

Attached is a list noting the individuals who registered for the agenda items (Attachment F).

There being no further business, the meeting was adjourned at 10:25 a.m.

Respectfully submitted,

Shelley Ponce  
Committee Secretary

(Audio recordings and attachments are on file in the Secretary of the Senate's Office/Resource Center, Room 115. Audio archives are available at <http://www.azleg.gov>)